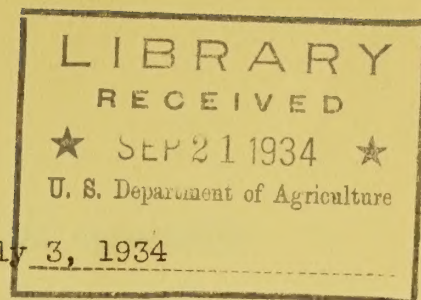


194
Ad422 n



Not for release before Tuesday p.m. papers, Tuesday, July 3, 1934

THE NEW LIBERALISM OR THE OLD

Address by Dr. Frederic C. Howe, Consumers' Counsel,
Agricultural Adjustment Administration, at Chautauqua,
N. Y., Tuesday, July 3, 1934.

For upwards of a year now, there have been a series of sniping attacks on the administration at Washington all of which have directed their fire on the alleged destruction of liberalism, the coming of regimentation, and the forceful and unauthorized change in our government from that of a democracy to something which suggests or approaches fascism in Italy or communism in Russia. Inwoven with this appeal for the preservation of our liberties have been warnings to beware of "the brain trust", as though some malignant influence was at work in Washington to destroy not only our political institutions but our liberties as well. The latest of these critics of masquerading liberals and by reason of his writings possibly as authoritative as any is Mr. Mark Sullivan, who addressed the Rotary International Convention in Detroit, June 25th, on "The Choice Before Us". As reported in the New York^{Herald}/Tribune, Mr. Sullivan said that those who term themselves "liberals", are "committing larceny of a word". Also, "to decide whether to give up individual freedom or to resume the struggle for it, is the choice which fate lays before this generation of America". "The choice," said Mr. Sullivan, "is between two conceptions of society, one which puts emphasis on the individual; another which puts emphasis on the mass - on one side individualism; on the other side collectivism". Continuing, he said,

"This new order represented a demand by the state that the individual surrender to the state not only many of his familiar freedoms, but almost a part of his personality and to some degree his freedom of conscience." This I think is as concrete a statement of the critic of the new deal as has been made.

Now when we review the procession of organized criticism of the efforts that are being made in Washington, I think it is not unfair to the past activities and business affiliations of the men making these criticisms to suggest that they are masquerading a bit when they term themselves "liberals" or show any grave concern for the sacred rights of the individual, which should inhere in any generous minded society. For only occasionally have these criticisms issued from men whose lives have been identified with liberal or humane policies; rather, they issue from men who are identified directly or indirectly with the more reactionary and highly concentrated forms of business in the country.

I think it may not be amiss to define this thing we call liberty and ascertain just how much of it, we, as individuals, actually possess. But before doing so, just a word as to the "brain trust" which Mr. Sullivan again brings forward as a terrible bogey. I know something of the group. There are upwards of twenty men and women who fall within this category on my individual staff. They are mature men and women. They have pursued advanced study. They have been recognized for their outstanding ability. It is true, as Mr. Sullivan suggests, that many of

"This one thing was wanted & feared by the people that the individual
admission to the State and only one of his duties for the State, but almost
a part of his personality and to some degree his freedom of conscience.
This I think is an example of the attitude of the State and the
the State itself."

The State is not the guardian of individual rights of the
individual. That was done in England. I think it is not within its
the State's power and the State's obligation of the State is to
individuals to suggest that they are responsible for their own
themselves. Although we have not been able to get around this
of the individual, which would mean in my opinion, right away.
The only responsibility that the State has is to the State. It is
has been identified with the State as a general principle. The State
has not the right to do this or to interfere with the State's
the State's responsibility for the State in the State.

I think it is not to make it better than this or to make it
and certainly that the State of it, as an individual, actually
the State's duty is, that a State is to the "State's" duty. The State
of the State's duty is a State's duty. I think the State
State. The State's duty is to the State and the State's duty
category of the individual's duty. The State's duty is to the
the State's duty is to the State. The State's duty is to the State
the State's duty. It is to the State, as the State's duty is to the State.

them are from "the college campus"! It is not true, however, "that they dream of a whole nation organized as a college campus is organized."

I have had more than a year's close contact with these men and women, and quite literally I can say that their integrity and devotion to the public is unimpeachable. Also, that they have day by day been pitted against groups of highly paid lawyers and big business men and have acquitted themselves well in hundreds of skirmishes which, in my judgement, have saved the people of this country hundreds of millions, possibly, billions, of dollars a year. There were before them opportunities for advancement; of easy and comfortable relationships; yet, without exception they have chosen the rough, thorny and unpopular path of disinterested service to the public.

It is because these men, and hundreds of other men of like caliber, who have been called into the government service and who have been subjected to endless sniping, that I advert to their service in some detail. And in my judgement it is only because these men of the brain trust have rendered this kind of an accounting to the government that they are held up as a menace to our institutions and as inexperienced theorists planning a new and revolutionary society.

Let me cite a few instances of what I mean.

There is in America what is known as the milk trust. That it is not an insignificant economic group is evidenced by the fact that the officials of two only of the constituent companies were paid in 1933 salaries aggregating more than two million dollars a year. Reduced to milk for babies at the average price which the farmer receives, this is equivalent to more than 57 million quarts of milk a year. The milk trust owns no cows, it buys no feed, it fears neither droughts nor the high cost of farm supplies. It pays the farmer an average of 3 1/2 cents a quart for milk to be sold in bottles and from this point on adds an average of 6 1/2 cents - over 175 percent - for being the farmer's salesman and distributors for this type of milk.

While other business was going bankrupt, while the farmer was not being paid for the barest cost of production, while in thousands of instances he thought himself fortunate if he could drink the skimmed milk of his own farm, constituent members of the milk trust were making net profits of twenty, twenty-five and thirty percent on their alleged investment.

What is true of milk is true of cotton, of wheat, of cattle, of hogs, of tobacco, of fresh fruits, of vegetables, of poultry, of eggs. There is a bottle neck between the impoverished farmer and the hungry consumer unable to buy. To such an extent have commercialized industries wedged themselves in between the farmer and the consuming public that it cost us in 1929, 19 billion dollars in consumers dollars to get 7 billion dollars to the farmer. In other words it cost the farmer nearly twelve billion dollars to market and process his products.

It was such discoveries as these, revealed in daily conferences over codes and marketing agreements, in struggles to protect the farmer on one hand and the consumer on the other, that gave birth, in large part at least, to the hue and cry of the menace of the brain trust.

It might easily have been one of the most approved institutions in Washington had it lent itself easily to privileged use. For surely we have been urged for years to invite brains into the Government; to seek the trained rather than the untrained mind in our common affairs.

It was these same men in the section of the government of which I am the head who confronted between two and three thousand business men and their lawyers in the Mayflower Hotel who met to discuss a nation-wide code of all food processors and distributors from meat packers to peanut venders, representing sales of 11 billion dollars and 1,250,000 business concerns being welded into a single agency to pass upon and decide through five men as to the conditions under which the food you buy and the food the farmer produces should be permitted to reach 125 million people. As I sat in at the hearings on the code and observed them, I can state with accuracy that it was the penetrating cross examination and criticism of these theoretical-minded members of the brain trust which brought about the complete collapse of this proposal and caused it to be abandoned.

I could continue indefinitely the enumeration of intelligent and courageous work by men/^{and women} in one small section of the government as I could enumerate the service they have rendered.

And now for a word about liberty. Our English forefathers thought of liberty in terms of the landed aristocracy only. It was the feudal nobility, not the people who obtained political rights in England even up to a century ago. A hundred years ago the merchants and business men had to fight for the right to vote. And liberty, has for the most part, meant merely the right to participate in the government. James Mill and his more illustrious son, John Stuart Mill actually believed that when a substantial part of the people of England had the right to vote the millennium would be at hand.

Then came other men who thought of liberty in industrial terms; in the right to work, in the right to a decent wage, in the right to something more than being economic slaves. Against fearful opposition they had to dig children of eight and ten years of age from the underground mines of England. The first of these agitators was Karl Marx in Germany. Then came Henry George in the United States. They widened the concept of liberty from purely political into economic terms. Today all of us accept some part of this philosophy that a man has a right to work, to a fair share in the wealth that his labor produces.

And so our concepts of liberty are not of the limited sort which Mr. Sullivan and other critics of what is going on in Washington are talking about. They have become almost as wide and as generous as life itself.

I think one is justified in picturing this liberty of a large sort which it is asserted is being undermined by what is going on in Washington; which is being submerged by the new deal; which is being subverted by the brain trust.

We have had seventy years of masqueraded liberty which is bewailing, often by hired mourners; the coming of regimentation. What these mourners mean by liberty is not what it means to me. And while I speak only for myself it is not, I believe the kind of liberty which is being hoped for and labored for by your government at Washington.

"Rugged individualism", the alleged liberty we are being appealed to to preserve, has given us a nation with twenty million people supported by public charity and from thirty to forty million more who are on the border line of relief. It dispossessed millions of people of their homes and millions more of their farms. It sunk the most richly endowed continent in the world into an insolvency so deep that nearly a year of effort has made only a beginning of recovery on the collapse.

This liberty, so-called, turned over 240,000 miles of railroads, not to railroad operators, but to a score of bankers; not to men interested in hauling freight and passengers but to men concerned with the selling of 25 billions of stocks and bonds which now have a value of possibly 10 billion dollars.

This liberty which the mourners would have us protect loaned to Europe, to South America and the outside world, 15 billions of the savings of America. Those who made the loans took their commissions; they almost boasted in the Senate hearings at Washington that they themselves held none of the securities which they had underwritten.

From 1920 to 1929 these same libertarians, weeping over our lost liberties, unloaded on the American people 83 billion dollars of stocks and bonds. In part at least, they have piled on the backs of those who produce wealth and those who consume wealth, a debt burden of 170 billion dollars, and an annual debt charge equal to one-fifth of all the wealth we produce.

Today, a handful of these new protagonists of liberty own almost everything in corporate form that is worth owning in America. Only about two hundred companies control more than one-half of the corporate wealth.

I recently spent several days in an automobile plant in Detroit. The story was being told of a skilled mechanic, seeking employment, who when asked about his qualifications, described himself as "nut 242".

I am somewhat familiar with the bituminous and anthracite coal industry; I have studied the steel industry; I have seen human beings at work, when they can get work, deep in the ground and stripped to their waists before the molten metal of a steel mill. If liberty in a free country means anything, it means the same thing to all men. And I doubt very much whether the 40 million factory workers and their families or even

the 30 million farmers and their families, who combined, constitute two-thirds of our population, know very much about or have any glimmering hope of that kind of liberty which Mr. Sullivan and other critics assume to be the priceless heritage of the American people.

In the south, many do not even vote. Taking the country as a whole, scarcely sixty percent of the people vote. Somewhere, somehow forces other than those that have been in power in Washington for twelve months, have created something in America that is different from your conception of liberty and my conception of liberty; different from the conception of liberty of Christ or of Plato, of Rousseau or of Jefferson, of Lincoln or of Roosevelt.

The smoke screen of concern for our endangered liberties, strangely enough, comes from just those men who are responsible for the economic conditions, described, for the loss of industrial liberty, if not the loss of real political liberty, which they mourn as passing as a consequence of the administration at Washington.

There is, finally, the possibility of a new liberty; of a new concept of its real meaning and along with it, the possibility of achieving something that is not a mere masquerade of liberty. That, I think, is much more important than any post mortems of the past. And I believe a new liberty is in the making ; a liberty which involves first of all, security from fear; second, security from accident and the disabilities of old age; thirdly, security from the uncontrolled power of another human being and fourthly, and the most important, security from being merely nut 242 in an automobile plant or steel mill. The reason why I believe this is coming lies in this. We are watching a revolution. It is the most profound revolution in the whole history of man. It is far more profound than the

renaissance; more profound than the reformation; more profound than the French Revolution or the birth of democracy in America. You and I are witnessing the end of scarcity; of the necessary fear of hunger, of destitution. You and I are privileged to live in an age which produces so much wealth that we do not know what to do with it. We're producing so much wealth that it smothers us. It smothers the entire economic system. After millions of years of necessary fear we no longer need to fear for food and clothing or even for the luxuries of life. The machine, and not Washington, has revolutionized civilization; revolutionized it as it has never been revolutionized before. It came so quickly that we were not prepared for it.

Now, whatever else I may say today, I trust that this will have some significance to you. Poverty has become an absurdity. Insecurity has become an absurdity. The nation itself recognizes the fact that men need only work a few hours a week. Even with the drastic reduction of working hours and the ending of child labor we can still produce so much that it smothers the system under which we live.

What are we going to do about it? We can, if we wish, live as we live today with one-third of our people on relief or in fear of relief or we can through a new deal, live by our own labor in our own way of working and have an abundance.

To state the matter in another way, the problem of past centuries has been the problem of production. The problem of our generation is the problem of distribution.

There is, I think, an interesting parallel of two civilizations. One is that of ancient Greece. There was an abundance in Greece made possible by slave labor. The human machine freed the Greek from the need of labor. And the Greeks produced out of their leisure a civilization so advanced that subsequent centuries have not been able to parallel it. The Greeks took their leisure naturally. If there were protests against the brain trust, in the days of Pericles, they have not survived to us. Rather, ancient Greece took pride in the human intellect. And the greatest statesman of all times, Plato, pictured the ideal republic as a republic ruled by the intelligent, which I assume is the equivalent of a brain trust.

Today, horse power, water power, machine power, have gifted us with the possibilities of a new civilization in which men will take pride in being free from unnecessary labor; they need not want more than they themselves can consume. They will want, however, liberty to be what God endowed them to be and that, if I may be permitted to have my own concept of the political state, is what the political state is for. The most priceless of all possessions is our own personality; a personality that is different from the personality of every other human being. And the organized state should be guided by a living bill of rights, which bill of rights seeks by positive action to ensure to all of us the right to achieve his own destiny.

The slave gave this kind of civilization to Greece and the Greeks embraced it. The machine has given the possibilities of just such a civilization to America. Regimentation lies in making the machine master;

liberty lies in making the machine a servant, as it must be if our civilization and even our ability to live in the midst of plenty, are to be preserved.

This, to me, is the real "choice before us". The fact of abundance rather than scarcity is the real revolution which confronts us. The new era is an era in which industry will be socially managed, our economic system will be socially managed, agriculture will be socially managed so that our society will not continuously engulf itself in destructive disaster, but will assure all of us the possibilities of a full life, and a fullness made possible by the planning of the inanimate things which man creates, so that they will serve man rather than be man's master.

And so I will close by a quotation that pleases me almost more than any quotation I have read in many years from any public man.

Here is that quotation: "We have worked too hard in this country. ****We made a virtue of intemperate greed and effort.****Toil was holy. It was wrong to sit in the shade and dream.****"

"We have believed that leisure is wrong.****I believe that now that we are turning our minds around, and discovering that overwork does not pay, neither in money nor in any other sense, we will not continue to make a fetish of overwork. We shall learn as individuals to value and to improve ourselves.****"

"The thought of organizing another man's or woman's private and personal existence is repugnant to me. But I think that all men and women should have the chance to do and think and dream as they please part of the time, not for money, not for fame, but simply because they want to; and I believe that most of us, once the opportunity is afforded, will discover within ourselves a wide variety of stimulating and pleasant things to do."

That, my friends, was not said by a great Athenian in the days of Pericles. It was not said by Epictetus, by Seneca or by any one of the philosophers of antiquity. That statement was made by a member of President Roosevelt's cabinet, by one of the men who are doing all they can to lift us back to comfort and security. It was made by Secretary of Agriculture, H. A. Wallace.

#####

that we should not only be a great blessing to the people of
the world, but also to the people of the United States, by giving us
the opportunity of making a great contribution to the world's
peace and happiness, by one of the most important and useful
of all the things we can do. It is one of the things we
should do.

1914